

AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
WILDEWOOD

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AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
WILDEWOOD

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") is made as of January 20, 2005, by **WILDEWOOD RESIDENTIAL LLC**, a Maryland limited liability company ("Declarant")(index as Grantor and Grantee); and **WILDEWOOD COMMUNITY ASSOCIATION, INC.**, a Maryland nonstock corporation ("Association")(index as Grantor and Grantee).

R E C I T A L S:

R-1. The Declaration of Covenants, Conditions and Restrictions of Wildewood Community Association, Inc. ("Initial Declaration") dated August 12, 2003, was recorded on August 15, 2003, in Liber 2082 at Folio 338 of the land records of St. Mary's County, Maryland ("Land Records") by Paragon Builders, Incorporated, a Maryland corporation ("Paragon"), which set forth certain covenants, conditions and restrictions to apply to the overall Wildewood Community consisting of approximately 885 acres.

R-2. The Association was incorporated under the laws of the State of Maryland on May 18, 1998, to provide a means for meeting the purposes and intents set forth in the Initial Declaration.

R-3. Paragon conveyed a majority of its interest in Wildewood to Declarant by Deed dated January 22, 2004, and recorded in the Land Records on January 22, 2004, in Liber 2202 at Folio 538, and in connection therewith, assigned to Declarant all of its declarant rights under the Initial Declaration pursuant to that certain Transfer of Declarant Rights dated January 22, 2004, and recorded in the Land Records on January 22, 2004, in Liber 2202 at Folio 657, and that certain Transfer of Declarant Rights dated January 14, 2005, and recorded in the Land Records on January 24, 2005, in Liber 2444 at Folio 340.

R-4. Pursuant to Section 3(b) of Article VI of the Initial Declaration, the Declarant has the unilateral right to amend the Initial Declaration, and the Declarant is the only Member of the Association as of the date of this Declaration.

R-5. The Declarant is the owner of the land designated as Submitted Land in the legal description attached as Exhibit A (and incorporated by this reference) and desires, with the Association, to amend and restate the Initial Declaration in order to subject such land to the revised covenants, restrictions, reservations, easements, servitudes, liens and charges set forth herein, and to reserve the right to add to the provisions of this Declaration the land designated as Additional Land in the legal description attached hereto as Exhibit B (and incorporated by this reference).

R-6. The Declarant and the Association deem it desirable and in the best interest of the current and future owners of the land to subject the Submitted Land to this Declaration to protect the value and the desirability of such land and to provide for the development of the Additional Land in accordance with a common plan and for the maintenance of certain shared facilities.

NOW, THEREFORE, the Declarant and the Association hereby covenant and declare, on behalf of themselves, and their respective successors and assigns, that from the date this Declaration is recorded, the real estate designated as Submitted Land in Exhibit A shall be held, conveyed, acquired and encumbered subject to the terms and provisions hereof, all of which shall run with the land (including all improvements thereon) and bind and inure to the benefit of all Persons (as hereinafter defined) who may now or hereafter own or acquire any right, title, estate or interest in or to any of such real estate, or who may now or hereafter occupy or enter upon any portion thereof, or who may now or hereafter own or acquire any right, title, estate or interest in any real estate which is subject to or governed by a Member of the Association, all subject to the right of the Association or the Declarant to amend this Declaration from time to time in accordance with the provisions for amendment set forth herein. The Association and the Declarant accept the responsibilities and obligations set forth herein.

## ARTICLE 1 GENERAL PROVISIONS

### Section 1.1. Definitions.

Terms used herein without definition shall have the meanings specified for such terms in Subtitle 1 of Title 1 of the Act. Capitalized terms used herein shall have the meanings specified for such terms below.

(1) "Act" means the Subtitle 2 of Title 5 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended, supplemented or replaced from time to time.

(2) "Additional Land" means the real estate so designated in Exhibit B, as amended from time to time, which the Declarant has reserved the right to submit to this Declaration and to the jurisdiction of the Association pursuant to Section 4.1.

(3) "Articles of Incorporation" means the Amended and Restated Articles of Incorporation for the Association filed with the Maryland State Department of Assessment and Taxation, as amended from time to time.

(4) "Assessments" means the sums levied against the Members to pay Common Expenses and other expenditures by the Association, as provided in Article 6. Assessments include "Annual Assessments," "Additional Assessments," and "Individual Assessments."

(5) "Association" means Wildewood Community Association, Inc. and, with respect to the rights and obligations of the Association set forth in this Declaration, its successors and assigns.

(6) "Association Documents" means collectively, the Articles of Incorporation, this Declaration, Supplementary Declarations and the Bylaws, all as amended from time to time. Any exhibit, schedule, certification or amendment to an Association Document is an integral part of that document.

(7) "Board of Directors" or "Board" means the executive and administrative entity established by the Articles of Incorporation as the governing body of the Association.

(8) "Builder" means a Person (other than the Declarant) who in the regular course of business purchases a portion of the Property solely for the purpose of constructing improvements for resale or rental.

(9) "Bylaws" means the Amended and Restated Bylaws of the Association, as amended from time to time.

(10) "Common Area" means, at any given time, all of the Property then owned, controlled or leased by the Association (other than Lots) or over which the Association has an easement (but limited to the boundaries of such easement) and available to the Association for the benefit, use and enjoyment of the Members.

(11) "Common Expenses" means all expenses incurred by or on behalf of the Association, together with all funds determined by the Board of Directors to be reasonably necessary for the creation and maintenance of reserves all pursuant to the provisions of the Association Documents. Except when the context clearly requires otherwise, any reference to Common Expenses includes Limited Common Expenses and Recreational Facilities Expenses.

(12) "County" means St. Mary's County, Maryland. All references to approval by the County shall mean approval by the appropriate agency of the County.

(13) "Declarant" means Wildewood Residential, LLC, a Maryland limited liability company. Following recordation of an instrument assigning to another Person all or some of the rights reserved to the Declarant under the Association Documents pursuant to Article 5 of this Declaration, the term "Declarant" shall mean or include that assignee.

(14) "Declarant Control Period" means the period beginning on the date of incorporation of the Association and ending on the earliest of: (1) the date seventy-five percent of the total number of planned dwellings permitted to be located on the Submitted Land and the Additional Land are initially occupied or owned by Owners other than the Declarant or a Builder; (2) the date specified by the Declarant in a written notice to the Association that the Declarant Control Period is to terminate on that date; or (3) the expiration of the Development Period.

(15) "Declaration" means this Amended and Restated Declaration of Covenants, Conditions and Restrictions for Wildewood, which amends and restates in its entirety that certain Declaration of Covenants, Conditions and Restrictions of Wildewood Community Association, Inc. made by Paragon Builders, Incorporated and recorded in the Land Records on August 15, 2003, in Liber 2082 at Folio 338. The term Declaration shall include all amendments thereto, and, except when the context clearly requires otherwise, all Supplementary Declarations.

(16) "Development Period" means the period of time that the Declarant or any Builder are engaged in development or sales or activities relating thereto, anywhere on the Property or the Additional Land and the Declarant is entitled to exercise certain "Special Declarant Rights" under the Association Documents. Special Declarant Rights are described in Article 5 of this Declaration. When all the Submitted Land is owned by Owners other than the Declarant (or a lender holding Special Declarant Rights) or a Builder and all the Additional Land is owned by Owners other than the Declarant and all bonds held by a governmental agency with respect to the Property and the Additional Land have been released, then the Development Period shall end.

(17) "Development Plan" means the general development plans for the Submitted Land or the Additional Land as approved by resolutions of the Board of County Commissioners of St. Mary's County, Maryland, as amended from time to time. Development Plan shall also include site plans and subdivision plans approved by the appropriate agencies of the County from time to time. Although the Declarant intends to develop the Submitted Land and the Additional Land substantially in accordance with the Development Plan, the Declarant reserves the right to modify the Development Plan, subject to the requirements and procedures of St. Mary's County.

(18) "Land Records" means the land records of St. Mary's County, Maryland.

(19) "Limited Common Expenses" means expenses incurred by the Association and benefiting one or more but less than all of the Members and assessed against the Members benefited pursuant to Section 6.2(a)(2) of this Declaration.

(20) "Lot" means a portion of the Property which is a separate subdivided lot or parcel of record. A Lot shall not include any land designated as Common Area and owned by the Association in fee simple, if any, common area or common elements of a Neighborhood Association, or land dedicated for public purposes, together with any improvements now or hereafter appurtenant thereto. A Lot shall also mean any condominium unit created in accordance with Title 11 of the Real Property Article of the Annotated Code of Maryland, as amended. The common elements of any condominium are appurtenances to the units and are part of the Lot. "Multifamily Lot" means a Lot upon which the improvements or planned improvements are intended for use and occupancy primarily as multiple dwellings occupied by Persons other than the Owners of the Lot and, unless otherwise specified, includes without limitation Lots containing rental apartments or elderly congregate care facilities.

(21) "Majority Vote" means a simple majority (more than fifty percent) of the votes actually cast by Members represented in person or by proxy at a duly held meeting of the Members at which a quorum is present. Any vote of a specified percentage of Members means that percentage with respect to the total number of votes actually cast by Members represented in person or by proxy at a duly held meeting at which a quorum is present. Any vote by a specified percentage of the Board of Directors means that percentage with respect to votes entitled to be cast by directors present at a duly held meeting of the Board at which a quorum is present. Any vote of or approval by a specified percentage of the Mortgagees means a vote of or approval (whether actual or presumed) by the Mortgagees calculated based on one vote per Lot on which each Mortgagee has a Mortgage.

(22) "Member" means (i) the Declarant, (ii) any Neighborhood Association which has been subjected to this Declaration pursuant to Section 1.3 or Article 4, and (iii) any Owner of a Multifamily Lot. Individual Lot Owners within a Neighborhood Association are not directly members of the Association, rather, the Neighborhood Association governing such Lot is the Member for all purposes hereunder. The Board of Directors of the Neighborhood Association or an authorized officer of the Neighborhood Association shall act on behalf of the Neighborhood Association with respect to all rights and obligations of the Neighborhood Association as a Member of the Association.

(23) "Mortgagee" means an institutional lender (one or more commercial or savings banks, savings and loan associations, trust companies, credit unions, industrial loan associations, insurance companies, pension funds or business trusts, including but not limited to real estate investment trusts, any other lender regularly engaged in financing the purchase, construction or improvement of real estate, or any assignee of loans made by such lender, or any combination of any of the foregoing entities) holding a first mortgage or first deed of trust ("Mortgage") encumbering a Lot which has notified the Board of Directors of its status in writing pursuant to Section 11.1 and has requested all rights under the Association Documents. Where the approval of a Mortgagee is required, such approval means: (i) written approval; (ii) any written waiver of approval rights; (iii) a formal letter stating no objection; or (iv) presumptive approval if a Mortgagee does not respond to a notice by certified or registered United States mail, return receipt requested, within thirty days after the date the request for approval is transmitted in accordance with the applicable notice requirements of the Bylaws and this Declaration. Only for purposes of notice and inspection rights set forth in Article 11, "Mortgagee" shall also include the Federal Housing Administration ("FHA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), Fannie Mae (formerly the Federal National Mortgage Association) ("FNMA"), the Department of Veterans Affairs ("VA"), the Government National Mortgage Association ("GNMA") and any other public or private secondary mortgage market agency participating in purchasing, guarantying or insuring Mortgages which has notified the Association of such participation in writing (together the "Secondary Mortgage Market Agencies").

(24) "Neighborhood Association" means any owners association, condominium unit owners association or cooperative association subject to a declaration of covenants governing some but less than all of the Property pursuant to covenants recorded among the Land Records.

(25) "Officer" means any Person holding office pursuant to Article 6 of the Bylaws.

(26) "Owner" means one or more Persons who own a Lot in fee simple, but does not mean any Person having an interest in a Lot solely by virtue of a contract or as security for an obligation. If more than one Person owns a Lot, then all of the Persons who own such Lot shall collectively constitute one Owner.

(27) "Person" means a natural person, corporation, limited liability company, partnership, association, trust or other entity capable of holding title or any combination thereof.

(28) "Property" means, at any given time, the Submitted Land and any Lot or parcel subject to or governed by a Member, together with all improvements and appurtenances thereto now or hereafter existing.

(29) "Recreational Facilities" means the swimming pools, poolhouses, recreational centers and associated facilities owned or leased by the Association, if any, but not including clubhouses, community rooms, tot lots, playing fields, and trails.

(30) "Recreational Facilities Expenses" means Common Expenses or Limited Common Expenses for the management, insurance and Upkeep of the Recreational Facilities and such amounts as the Board of Directors may determine to be necessary to create reserves for the Recreational Facilities.

(31) "Rules and Regulations" means the rules and regulations governing the use, occupancy, operation, Upkeep and physical appearance of the Common Area adopted from time to time by the Board of Directors.

(32) "Submitted Land" means the land designated as such in Exhibit A and all land which is from time to time submitted to this Declaration.

(33) "Supplementary Declaration" means any declaration or instrument recorded among the Land Records submitting land to the terms of this Declaration and subjecting such land to the jurisdiction of the Association in accordance with the provisions of Section 1.3 and Article 4 of this Declaration. A Supplementary Declaration may be part of a deed of subdivision. A Supplementary Declaration may also subject portions of the Property to additional covenants or restrictions pursuant to Article 4 hereof.

(34) "Upkeep" means care, inspection, maintenance, snow and ice removal, operation, repair, repainting, remodeling, restoration, improvement, renovation, alteration, replacement and reconstruction.



Section 1.2. Construction of Association Documents.

(a) Captions; Cross-references. The captions are inserted only for reference, and in no way define, limit or otherwise affect the scope, meaning or effect of any provision. All cross-references are to this Declaration unless otherwise indicated.

(b) Pronouns. The use of the masculine gender shall be deemed to include the feminine and neuter genders, and the use of the singular shall be deemed to include the plural and vice versa, whenever the context so requires.

(c) Severability. Each provision of an Association Document is severable from every other provision, and the invalidity of any one or more provisions shall not change the meaning of or otherwise affect any other provision. To the extent that any provision of the Association Documents is found to be overly broad or unenforceable and a narrower or partially enforceable construction may be given to such provision, then the narrower or partially enforceable construction shall be applied and, to the extent practicable, the provision shall be enforced.

(d) Interpretation. If there is any conflict between the Association Documents, this Declaration and then the applicable Supplementary Declaration shall control, except as to matters of compliance with the Act, in which case the Articles of Incorporation shall control. Specific provisions shall control general provisions, except that a construction consistent with the Act shall in all cases control over any construction inconsistent therewith. The provisions of the Bylaws shall control over any conflicting provision of any rule, regulation or other resolution adopted pursuant to any of the Association Documents. The Association Documents shall be construed together and shall be deemed to incorporate one another in full. Any requirements as to the content of one shall be deemed satisfied if the deficiency can be cured by reference to any of the others.

(e) No Merger; Savings Clause. The easements granted and reservations made herein or in any Supplementary Declaration shall not terminate or merge and shall continue to run with the land, notwithstanding the common law doctrine of merger. If the intended creation of any easement provided for in this Declaration should fail by reason of the fact that at the time of creation there may be no grantee in being having the capacity to take and hold such easement, then any such grant of easement deemed not to be so created shall nevertheless be considered as having been granted directly to the Association as agent for such intended grantees for the purpose of allowing the Persons to whom the easement were originally to have been granted the benefit of such easement.

(f) Ambiguities Resolved by Declarant. If there is any ambiguity or question as to whether any Person, real estate or improvement falls within any of the definitions set forth in Article 1, the determination made by the Declarant (as evidenced by a recorded Supplementary Declaration) shall be binding and conclusive.

(g) Use of New Technology. Due to the ongoing development of new technologies and corresponding changes in business practices, to the extent permitted by law

now or in the future: (1) any notice required to be sent or received; (2) any signature, vote, consent or approval required to be obtained; or (3) any payment required to be made, under the Association Documents may be accomplished using the most advanced technology available at that time if such use is a generally accepted business practice. The use of technology in implementing the provisions of this Declaration dealing with notices, payments, signatures, votes, consents or approvals shall be governed by Section 1.2 of the Bylaws.

Section 1.3. The Association.

(a) Creation. The Association is a nonstock corporation organized and existing under the laws of the State of Maryland, charged with the duties and vested with the powers prescribed by law and set forth in the Association Documents.

(b) Membership. Members of the Association shall at all times be, and be limited to, the Declarant (during the Development Period) and the Members. Individual Owners within Neighborhood Associations are not directly members of the Association, but each Owner is entitled to attend all meetings of the Association. Neighborhood Associations who are Members shall cast their votes through a representative designated by and under the direction of the board of directors or the executive body serving similar purposes of such Neighborhood Association. Membership in the Association is mandatory; no Member shall have any right to voluntarily resign or otherwise withdraw from the Association without the written consent of all remaining Members, and the Declarant during the Development Period.

(c) Classes of Owners; Voting Rights. The Association shall have the classes of Members with the voting rights set forth in the Articles of Incorporation and as follows:

The Class A Members shall be (1) each Neighborhood Association which elects to join the Association by signing and recording a Supplementary Declaration as provided in subsection (f) below; (2) each Neighborhood Association that is an automatic Member pursuant to subsection (g) below; (3) each Neighborhood Association which has been subjected to this Declaration pursuant to Article 4 hereof; and (4) Each Owner of a Multifamily Lot, other than the Declarant during the Development Period. A Class A Member shall have one vote for each dwelling governed by the Neighborhood Association, or with respect to Multifamily Lots, one vote for each dwelling located on the Multifamily Lot owned by such Member for which a certificate of occupancy or similar permit has been issued by the appropriate governmental agency.

The Class B Member shall be the Declarant. The Declarant shall have three times the total number of votes held by all the Class A Members when a vote is taken. Upon the expiration of the Declarant Control Period, the Class B Member shall have one vote for each Lot owned by such Class B Member or a Builder. The Class B membership shall expire at the end of the Development Period.

(d) Board Authority to Act. The Board of Directors is responsible for the management and Upkeep of the Property and the administration of the Association. Unless otherwise specifically provided in the Act or the Association Documents, all rights, powers, easements, obligations and duties of the Association may be performed by the Board of Directors

on behalf of the Association without the joinder or approval of any Member or Mortgagee.

(e) Existing Neighborhood Associations. Any Neighborhood Association existing as of the date of this Declaration (which is not automatically a Member pursuant to subsection (g) below) may elect to join the Association as a Class A Member by executing and recording a Supplementary Declaration substantially in the form attached hereto as Exhibit C and incorporated herein by reference, which Supplementary Declaration shall be recorded in the Land Records. The Supplementary Declaration shall also include the total number of Lots governed by the Neighborhood Association. Such Neighborhood Associations may join the Association as Members without the consent of the Declarant or any other Members of the Association by the execution and recordation of a Supplementary Declaration, provided that the Neighborhood Association shall notify the Association of the Neighborhood Association's intention to join the Association prior to executing and recording a Supplementary Declaration.

(f) Automatic Members. Certain Neighborhood Associations were intended to become Members of the Association automatically pursuant to the terms and conditions set forth in the declarations of covenants, conditions and restrictions governing such Neighborhood Associations. The Neighborhood Associations which are automatic Members are listed on Exhibit E attached hereto. Each automatic Member shall be required to execute and record a Supplementary Declaration confirming such membership.

## ARTICLE 2 COMMON AREA

Section 2.1. Conveyance; Title. The Association shall accept title to any real estate or personal property offered to the Association by the Declarant or as directed by the Declarant. If the Declarant determines that a particular parcel of real estate is or is not Common Area, such determination shall be binding and conclusive. The Common Area may change from time to time. Accordingly, references to Common Area shall be deemed to refer to the Common Area existing at the relevant time. On or before August 15, 2006, the Declarant shall convey to the Association as Common Area the two completed recreational ballfields identified on Exhibit D attached hereto.

Section 2.2. No Dedication. Nothing contained herein or in the other Association Documents shall be construed as a dedication to public use or as an assumption of responsibility for Upkeep of any Common Area by any public or municipal agency, authority or utility, nor shall it be construed to prevent the Board of Directors of the Association from permitting public access to or use of any Common Area.

Section 2.3. Regulation of Common Area. The Board of Directors shall have the right to regulate use of the Common Area and to charge fees for the use of Common Area, including without limitation, use of Recreational Facilities. The Board shall have the right, in its sole discretion, to allow non-Members to use portions of the Common Area, including without limitation, Recreational Facilities pursuant to Section 2.4. The Board of Directors may also

mortgage, dedicate or convey Common Area owned in fee simple by the Association or grant easements over and through the Common Area subject to the restrictions contained herein.

Section 2.4. Recreational Facilities. Each Class A Member (unless the applicable Supplementary Declaration states that such Member is not entitled to use the Recreational Facilities) is hereby granted a non-exclusive right of use and enjoyment in common with others of such Recreational Facilities which constitute a portion of the Common Area and a right of access over and through the Common Area to such Recreational Facilities for so long as such Member pays the applicable Assessment for Recreational Facilities Expenses as provided in Section 6.2(a). The Common Area containing the Recreational Facilities shall be for the exclusive use of the Class A Members paying Assessments for the Recreational Facilities Expenses and such other Persons as may be permitted by the Board of Directors and the Declarant pursuant to Section 6.2 hereof. The rights and easements granted hereby shall be subject to all rights and powers of the Association (in addition to any easements granted or reserved in this Declaration or pursuant to other Association Documents), when exercised in accordance with the applicable provisions of the Association Documents. The Board of Directors may offer memberships in the Recreational Facilities to non-Members on an annual or user fee basis, at its sole discretion. The fees and terms of such memberships shall be established by the Board at its sole discretion, and any revenue generated from the sale of memberships or from collection of user fees shall be applied toward the cost of the management, operation, Upkeep and insurance for the Recreational Facilities.

Section 2.5. Rules and Regulations.

(a) Adoption; Variances. The Board of Directors shall have the power to adopt, amend and repeal Rules and Regulations restricting and regulating the use and enjoyment of the Common Area or of any portion thereof, which may supplement, but may not be inconsistent with the provisions of the Association Documents. The Board of Directors may issue temporary or permanent exceptions or variances to any prohibitions expressed or implied by this Article, for good cause shown.

(b) Distribution. Copies of the Rules and Regulations shall be furnished by the Board of Directors to each Member and to each occupant requesting the same. Changes to the Rules and Regulations shall be published prior to the time when the same shall become effective and copies thereof shall be provided to each Member and to each occupant requesting the same.

(c) Exclusions During Development Period. Notwithstanding any other provision of the Association Documents, neither the restrictions in this Article nor the Rules and Regulations shall apply to any otherwise lawful acts or omissions of the Declarant or of any Builder approved by the Declarant during the Development Period. This exception for Builders shall be subject to such rules as may be established by the Declarant for safety or to maintain the appearance of the Property.

ARTICLE 3  
EASEMENTS

Section 3.1. Development Easements.

(a) Easements Reserved to the Declarant. The Declarant hereby reserves to itself, its successors, assigns and designees, a blanket easement upon, across, over, through and under the Common Area or any Lot for ingress, egress, construction, installation, replacement, repair and maintenance of all streets and parking lots, utility and service lines and systems and all other improvements, including (but not limited to) drainage areas, storm water management, signage, streets, parking, landscaping, pedestrian walkways, water, sewer, gas, telephones, electricity, television cables or communications lines. By virtue of this easement it shall be expressly permissible for the Declarant (its successors, assigns and designees), or the providing utility or service company, with the approval of or pursuant to agreement with or easement from Declarant, to complete construction of all contemplated improvements on the Property, install and maintain facilities and equipment on said property, to excavate for such purposes and to affix and maintain wires, circuits and conduits on, in and under roofs and exterior walls of improvements thereon, providing such disturbed areas are restored to as near as practicable to their original condition. The rights reserved to Declarant herein shall include the right to grant easements, licenses and rights of way over the Common Area or any Lot for any purpose and to any Person necessary for the construction, Upkeep, repair, maintenance or access of any improvements, including (without limitation) easements, rights-of-way and licenses granted to any government or governmental agency.

(b) Easement to Facilitate Sales. The Declarant hereby reserves to itself and its designees the right to: (i) use any Lots owned or leased by the Declarant or any other Lot with the written consent of the Owner thereof or any portion of the Common Area (including any buildings thereon) as models, management offices, sales offices, a visitors' center, construction offices, customer service offices or sales office parking areas (provided, however, that the Declarant or its designee, as appropriate, shall remain responsible for the Upkeep of that portion of the Common Area used for the foregoing purposes); (ii) place and maintain in any location on the Common Area, street and directional signs, temporary promotional signs, temporary construction and sales offices, plantings, street lights, entrance features, "theme area" signs, lighting, stone, wood or masonry walls or fences and other related signs and landscaping features; provided, however, that all signs shall comply with applicable governmental regulations; and (iii) relocate or remove all or any of the above from time to time at the Declarant's sole discretion.

(c) General Utility Easement. A non-exclusive perpetual blanket easement is hereby granted over and through the Property for ingress, egress, installation and Upkeep of the equipment for providing to any portion of the Property or adjacent real estate, any utilities, including without limitation water, sewer, drainage, gas, electricity, telephone, television or other telecommunications service, whether public or private; such easement is hereby granted to any Person installing or providing Upkeep for the aforesaid services. Any pipes, conduits, lines, wires, transformers and any other apparatus necessary for the provision or metering of any utility may be installed, maintained or relocated where permitted by the Declarant, where contemplated

utility lines serving such dwelling. The Declarant also reserves the unilateral right to grant easements, licenses or rights-of-way over and through the Property if necessary or requested by a utility provider.

(d) Dedications and Easements Required by Governmental Authority. The Declarant hereby reserves to itself and its successors and assigns, the right to make any dedications and to grant any easements, rights-of-way and licenses required by any government or governmental agency over and through all or any portion of the Common Area and the Lots. The Declarant also hereby reserves to itself and its successors and assigns an easement to make any corrections required by a governmental authority or utility and a right to grant and reserve easements or to vacate or terminate easements across all Lots and Common Area as may be required by any governmental agency or authority or utility company in connection with the release of bonds or the acceptance of streets for public maintenance with respect to the Property.

(e) Further Assurances. Any and all conveyances made by the Declarant to the Association or any Member or Owner shall be conclusively deemed to incorporate these reservations of rights and easements, whether or not set forth in such grants. If a designee described in Subsections 3.1(a) or (c) requests recordation of a separate document evidencing such Person's easement rights that are consistent with this Declaration, then the Declarant or the Association, as applicable, may sign and record such an easement instrument, without the consent, approval or joinder of any Member or Mortgagee.

(f) Duration and Assignment of Development Rights. The Declarant may assign its rights under this section to, or share such rights with, one or more other Persons, exclusively, simultaneously or consecutively. The Declarant shall notify the Association of any such assignment or designation by the Declarant. The rights and easements reserved by or granted to the Declarant pursuant to this section shall continue until the end of the Development Period.

Section 3.2. Easement for Use and Enjoyment of Common Area. The Declarant hereby reserves to itself during the Development Period and, on behalf of itself and its successors and assigns, grants to each Member a non-exclusive right and easement of use and enjoyment in common with others of the Common Area. Such right and easement of use and enjoyment shall be appurtenant to Membership in the Association, whether or not mentioned in the deed thereto. The rights and easements of enjoyment created in this Section shall be subject (in addition to any easements granted or reserved in this Declaration or pursuant to the other Association Documents) to all rights and powers of the Declarant and the Association when exercised in accordance with the other applicable provisions of the Association Documents, including without limitation the Association's right to regulate the use of the Common Area and to establish reasonable charges therefor, to offer memberships for use of the Recreational Facilities as provided in Sections 2.3 and 2.4, to grant easements across the Common Area, to dedicate portions of the Common Area owned in fee simple by the Association and to mortgage the Common Area owned in fee simple by the Association. The forgoing rights and easements of enjoyment are also subject to the exclusive rights of Class A Members who pay Recreational Facilities Expenses to use the Recreational Facilities.

Section 3.3. Easement for Upkeep. The Declarant, on behalf of itself and its successors and assigns, hereby grants the right of access over and through any portion of the Property, (excluding any dwelling) to the Association, the managing agent and any other Persons authorized by the Board of Directors, in the exercise and discharge of their respective powers and responsibilities, including without limitation to make inspections, correct any condition originating in a Lot or in the Common Area threatening another Lot or the Common Area, correct drainage, perform installations or Upkeep of utilities, landscaping or other improvements located on the Property for which the Association is responsible for Upkeep, or correct any condition which violates the Association Documents. The agents, contractors, Officers and directors of the Association may also enter any portion of the Property (excluding any dwelling) in order to utilize or provide for the Upkeep of the areas subject to easements granted in this Article to the Association.

Section 3.4. Limitations on Exercise of Rights and Easements.

(a) Other Easements. These easements are subject to all other easements and encumbrances of record (including those created by this Declaration).

(b) Notice. The Declarant, the Association, any Member or any other Person, as appropriate, when exercising the rights and easements granted by this Article, shall: (i) give reasonable prior notice to all affected Members or Owners, unless an emergency exists which precludes such notice; (ii) minimize any economic or aesthetic injury to the affected Lots or the Common Area; and (iii) not unreasonably interfere with the affected Owners' use, enjoyment and benefit from such Owners' Lots or the Common Area or the building areas located on such Lot.

(c) Relocation. If an easement is relocated, the cost of such relocation shall be paid by the party requesting the relocation.

(d) Damage. Any damage resulting from the exercise of the aforesaid rights and easements shall be promptly repaired and the site restored to the extent practicable by the Declarant or the Association, as appropriate, or at the option of the Declarant or the Association, the party responsible for such damage. In either case, the cost of such repair and restoration shall be paid for by the party responsible for the damage.

Section 3.5. Land Submitted by Owners Other than the Declarant. Any Person or Neighborhood Association other than the Declarant submitting land to this Declaration hereby grants to the Declarant, the Association and to each other Member all rights, easements and other interests with respect to such land granted or reserved in this Article and shall provide such further assurances as may be required.

Section 3.6. Dedications. Notwithstanding any other provision of this Declaration, any easement created herein or pursuant hereto shall automatically terminate and cease to exist with respect to any portions of the Property dedicated for public rights-of-way and accepted into the public roads system for maintenance.

ARTICLE 4  
DEVELOPMENT OF THE PROPERTY

Section 4.1. Expansion by the Declarant.

(a) Designated Additional Land. The Declarant hereby reserves an option until the thirtieth anniversary of the recordation of this Declaration to expand the Property from time to time without the consent of any Owner, Member or Mortgagee (except the owner of such real estate) by submitting all or any portion of the Additional Land to the provisions of this Declaration and the jurisdiction of the Association whether or not such real estate is owned by the Declarant. The option to expand may be terminated only upon the recordation by the Declarant of an instrument relinquishing such option. The Declarant shall add Additional Land in accordance with the procedures set forth in Section 4.3. There are no limitations on the option to expand except as set forth in this Article. If the Declarant does not submit all or any portion of the Additional Land to this Declaration, such real estate may be developed in any manner allowable under local zoning ordinance without regard to the restrictions in this Declaration.

(b) Undesignated Additional Land. The Declarant may unilaterally amend the description of Additional Land set forth in Exhibit B without the approval of any Owner, Member or Mortgagee; provided, however, that such additional real estate is immediately adjacent to the Property or across a public right-of-way from the Property.

Section 4.2. Expansion by the Association. With the written consent of the fee simple owner (if not the Association) and any mortgagee or holder of a deed of trust on such real estate, a sixty-seven percent vote or written approval from Members entitled to cast sixty-seven percent of the total number of votes in the Association and the written consent of the Declarant during the Development Period, the Association may submit any real estate located immediately adjacent to the Property or across a public right-of-way from the Property to the provisions of this Declaration and the jurisdiction of the Association, in accordance with the procedures set forth in Section 4.3.

Section 4.3. Procedure for Expansion; Additional Covenants. The Declarant or the Association, as appropriate, may record one or more Supplementary Declarations. Each Supplementary Declaration adding real estate shall: (i) include a legally sufficient description of the real estate added; (ii) designate such real estate with a unique identifier so as to differentiate between each portion of the Property; and (iii) describe any real estate being conveyed to the Association as Common Area. Any Supplementary Declaration may contain such additional covenants and restrictions as may be necessary to reflect the different characteristics of the Lots or the land uses if consistent with the overall scheme of this Declaration.

Section 4.4. Withdrawable Land.

(a) By the Declarant. During the Development Period, the Declarant has the unilateral right without the approval or joinder of any Owner (except the owner of the real estate being withdrawn), Member or Mortgagee to sign and record an amendment to this Declaration



withdrawing any portion of the Property owned by the Declarant or a Builder for any purpose from time to time if such real estate is: (i) zoned for non-residential purposes; (ii) dedicated or to be dedicated to public use; (iii) conveyed or to be conveyed to a public authority for any purpose if such real estate is dedicated or to be dedicated to public use; or (iv) otherwise not intended or planned to be subject to this Declaration as determined by the Declarant in its sole discretion.

(b) By the Association. After the Development Period, the Board of Directors, acting on behalf of the Association without the joinder or approval of any Owner, Member or Mortgagee, may record an amendment withdrawing any real estate (i) dedicated or to be dedicated to a public use or (ii) conveyed or to be conveyed to a public authority.

(c) Dedications for Public Streets. Any real estate dedicated to a public authority for public street purposes is automatically withdrawn and the Declarant or the Board of Directors may unilaterally, without the joinder or approval of any Owner, Member or Mortgagee, record an instrument confirming such withdrawal.

Section 4.5. Association Consent Not Required. During the Development Period, the exercise of any right by the Declarant under this Article 4 shall not require the consent of the Association.

#### ARTICLE 5

#### SPECIAL DECLARANT RIGHTS; TRANSFER

(a) Special Declarant Rights. Special declarant rights are those rights reserved for the benefit of the Declarant as provided for in the Association Documents. The Declarant may exercise the special declarant rights with respect to the real estate owned by Declarant unilaterally without the approval of any Owner, Member or Mortgagee. The Declarant may transfer all or a portion of the special declarant rights created or reserved under the Association Documents to any Person acquiring all or a significant portion of the Additional Land by an instrument executed by transferor and transferee evidencing the transfer recorded in the Land Records. A partial transfer of special declarant rights does not prevent the transferor declarant from continuing to exercise special declarant rights with respect to real estate retained by such declarant. The instrument providing for a partial transfer of special declarant rights shall allocate voting rights between the transferor and the transferee. Each Person having special declarant rights under the Association Documents has the right to transfer such rights unilaterally with respect to real estate owned by such Person.

(b) Liability of Transferor. Upon transfer of any special declarant right, the liability of a transferor declarant is as follows:

(1) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for warranty obligations the transferor has undertaken by contract or which are imposed upon the transferor by law.

(2) If the successor to any special declarant right is an affiliate of a declarant, the transferor is jointly and severally liable with the successor for any obligation or liability of the successor that relates to the Property.

(3) If a transferor retains any special declarant rights, but transfers other special declarant rights to a successor who is not an affiliate of the declarant, the transferor remains liable for any obligations and liabilities relating to the retained special declarant rights imposed on a declarant by the Association Documents arising after the transfer.

(4) A transferor has no liability for any act or omission, or any breach of a contractual or warranty obligation arising from the exercise of a special declarant right by a successor declarant who is not an Affiliate of the transferor.

(c) Liability of Successor. The liabilities and obligations of Persons who succeed to special declarant rights are as follows:

(1) A successor to any special declarant right who is an affiliate of a declarant is subject to all obligations and liabilities imposed on the transferor by the Association Documents.

(2) A successor to any special declarant right, other than a successor described in paragraphs (3) or (4) of this subsection or a successor who is an affiliate of a declarant, is subject to all obligations and liabilities imposed by the Association Documents: (A) on a declarant which relate to such declarant's exercise or non-exercise of special declarant rights; or (B) on the transferor, other than: (i) misrepresentations by any previous declarant; (ii) warranty obligations, if any, on improvements made by any previous declarant, or made before the Association was created; (iii) breach of any fiduciary obligation by any previous declarant or such declarant's appointees to the Board of Directors; or (iv) any liability or obligation imposed on the transferor as a result of the transferor's acts or omissions after the transfer.

(3) A successor to only a right reserved in the Association Documents to maintain models, sales offices, customer service offices and signs, if such successor is not an affiliate of a declarant, may not exercise any other special declarant right, and is not subject to any liability or obligation as a declarant.

(4) A successor to all special declarant rights held by a transferor who succeeded to those rights pursuant to foreclosure, a deed in lieu of foreclosure or a judgment or instrument conveying title under Subsection (c), may declare the intention in an instrument recorded in the Land Records to hold those rights solely for transfer to another Person. Thereafter, until transferring all special declarant rights to any Person acquiring title to any Lots owned by the successor, or until recording an instrument permitting exercise of all those rights, that successor may not exercise any of those rights other than any right held by the transferor to vote as the Class B Owner in accordance with the provisions of the Association Documents for the duration of any Declarant Control Period, and any attempted exercise of those rights is void. So long as a successor declarant may not exercise special declarant rights under this subsection, such successor is not subject to any liability or obligation as a declarant.

(d) Limitation. Nothing in this Article subjects any successor to a special declarant right to any claim against or other obligation of a transferor declarant, other than claims and obligations arising under the Association Documents.

ARTICLE 6  
COMMON EXPENSES AND ASSESSMENTS

Section 6.1. Determination of Common Expenses and Budget.

(a) Fiscal Year. The first fiscal year of the Association shall be as determined in accordance with Section 9.4 of the Bylaws.

(b) Preparation and Approval of Budget.

(1) At least sixty-five days before the beginning of each fiscal year, the Board of Directors shall adopt a budget for the Association containing an estimate of the total amount considered necessary for the ensuing fiscal year to pay the cost of management and Upkeep of the Common Area, including without limitation the Recreational Facilities, and the cost of other expenses that may be declared to be Common Expenses by the Association Documents or by a resolution of the Board of Directors, including without limitation services provided to the Members or Common Areas.

(2) Such budget shall also include such reasonable amounts as the Board of Directors considers necessary to provide working capital (available cash for day-to-day expenses which is otherwise uncommitted), a general operating reserve (including an amount to cover operating losses due to insurance deductibles) and reserves for contingencies (potential costs or liabilities which have not been incurred but which should be planned for) and reserves for replacements. At least fifty-five days before the beginning of each fiscal year, the Board of Directors shall make available a copy of the budget in a reasonably itemized form which sets forth the amount of the Common Expenses and provide a copy of such budget to each Member. Such budget shall constitute the basis for determining the Assessment against each Member.

(3) The budget shall also reflect the separate assessment of Limited Common Expenses, including without limitation certain expenses (and reserves) relating to or benefiting one or more but less than all of the Members, whether categorized by location or type of expense. Such expenses shall be assessed only against the Members benefited in accordance with paragraph (2) of Subsection 6.2(a).

(4) The budget shall reflect the separate assessment against the Class A Members who are entitled to use the Recreational Facilities, of Recreational Facilities Expenses which include the cost of management and Upkeep of and insurance for the Recreational Facilities, including such amounts as the Board of Directors may determine to be necessary to create reserves for repair and replacement of the Recreational Facilities.

(c) Installment Payments and Due Dates. Any and all such Assessments and other charges shall be a lien against each Class A Member's assessment income as provided in Section 10.2. On or before the first day of each fiscal year, and the first day of each succeeding payment period in such fiscal year, each Member shall pay to such Person at such place as the Board of Directors may direct that installment of the Annual Assessment which is due during such period. The Board of Directors shall establish one or more payment periods and the due dates for each such payment in each fiscal year; provided, however, that payments shall be due not less than semi-annually nor more frequently than monthly unless specifically provided otherwise herein. All sums collected by the Board of Directors with respect to Assessments against the Members or from any other source may be commingled into a single fund.

(d) Initial Budget and Initial Assessments.

(1) Upon taking office, the first Board of Directors shall determine the budget, as defined in this section, for the period commencing thirty days after taking office and ending on the last day of the fiscal year in which such directors take office.

(2) The first installment of the Annual Assessment for Common Expenses shall be prorated based upon the number of days remaining in the payment period and shall be due on the date the Member joins the Association. Any additional amounts due shall be divided by the number of full payment periods (if any) remaining in that fiscal year and paid in equal installments on the first day of each payment period remaining in that fiscal year. Such Assessment shall be levied and become a lien as set forth in Section 10.2.

(e) Effect of Failure to Prepare or Adopt Budget. For the first fiscal year of the Association, and for all fiscal years thereafter, the Board of Directors shall establish the Annual Assessment against each Member for Common Expenses. The failure or delay of the Board of Directors to prepare or adopt a budget for any fiscal year shall not constitute a waiver or release in any manner of a Member's obligation to pay the allocable share of the Common Expenses as herein provided whenever the same shall be determined and, in the absence of any annual budget or adjusted budget, each Member shall continue to pay Assessments at the rate established for the previous fiscal year until notified of the new payment which is due on the first day of the next payment period which begins more than ten days after such new annual or adjusted budget is adopted and the Member receives such notice.

(f) Pledge of Revenues. The Board of Directors, by a vote of two-thirds of the total number of directors, shall have the right and power to assign and pledge all revenues to be received by the Association, including but not limited to Annual Assessments and Additional Assessments in order to secure the repayment of any sums borrowed by the Association from time to time.

Section 6.2. Assessments.

(a) Purpose, Rate and Calculation of Annual Assessment.

(1) The total amount of the estimated funds required for: (i) the management and Upkeep of those portions of the Property for which the Association is responsible; (ii) services to the Members; and (iii) to meet obligations of the Association established pursuant to this Declaration or other shared Upkeep agreements shall be assessed annually against the Members. The Board of Directors shall establish an Annual Assessment rate against each Member as follows:

(A) Subject to subparagraph (B) below, the Association shall assess each Member, in an amount equal to: (i) the total amount budgeted for general Common Expenses (not including Limited Common Expenses); (ii) divided by the total number of Lots (or dwelling units with respect to Multifamily Lots) appertaining to all Members subject to assessment; and (iii) multiplied by the total number of Lots (or dwelling units with respect to Multifamily Lots) allocated to the Member to be assessed. A Lot or dwelling unit, as applicable, shall not be included in the foregoing calculation or subject to assessment until such time as a certificate of occupancy or similar permit has been issued by the appropriate governmental agency for such Lot or dwelling unit.

(B) The Declarant or Builder, if so determined by the Declarant, shall pay a one-time assessment in the amount of Fifty Dollars (\$50.00) for each Lot owned by the Declarant or Builder, as applicable, and subject to a Neighborhood Association Member. This one-time assessment shall be due upon conveyance to an Owner other than the Declarant or as otherwise determined by the Declarant, but no later than upon the date of conveyance of the Lot to an Owner other than the Declarant or a Builder. The Lot shall be subject to full assessment at such time as the Lot is conveyed to an Owner other than the Declarant. Except as provided in this subparagraph, the Declarant shall be exempt from assessments under this Declaration.

(2) Limited Common Expense Assessment. Limited Common Expenses shall be assessed only against the Members benefited in proportion to their relative Common Expense liability inter se or based on usage, as appropriate. Such Limited Common Expenses shall be determined as follows:

(A) Any Common Expenses designated in a Supplementary Declaration as Limited Common Expenses to be paid by the Members joining the Association.

(B) Any Common Expenses proposed by the Board of Directors or a specific group of Members as Limited Common Expenses against a specific group of Members and agreed to by such Members.

(C) Any Common Expenses for trash pick-up or similar services, if the cost of such service varies significantly between Members or is not provided to all Members.

(3) Recreational Facilities Expenses. The Board of Directors shall assess each Class A Member (unless the applicable Supplementary Declaration states that such Member is not entitled to use the Recreational Facilities) which is subject to assessment pursuant to paragraph (1) of Subsection 6.2(a) for Recreational Facilities Expenses as a Limited Common Expense in an amount to be determined by the Board of Directors. A Multifamily Lot or a Neighborhood Association consisting of a condominium regime shall pay the same amount per dwelling for Recreational Facilities Expenses as other Class A Members governing single family units, unless provided otherwise in the applicable Supplementary Declaration. The Board of Directors (in its sole discretion) may also establish a two-level Recreational Facilities Assessment. The first level would be assessed against all Lots subject to assessment for Recreational Facilities Expenses, the second level to be paid only by those Members electing to use the Recreational Facilities. If membership in the Recreational Facilities is provided for in the applicable Supplementary Declaration, the Board of Directors shall provide such membership as provided in the applicable Supplementary Declaration. If the applicable Supplementary Declaration states that a Member is not entitled to use the Recreational Facilities, the Member may request a membership in the Recreational Facilities, and the Board of Directors shall provide a membership to that Member if the Board determines that it will not result in overburdening of the Recreational Facilities. Once a Member requests membership in the Recreational Facilities and the Board approves the request, such Member shall thereafter be subject to Recreational Facilities Expenses and can not withdraw from membership in the Recreational Facilities without the approval of the Board of Directors.

(4) Limitations on Increases. Unless approved by a Majority Vote of the Class A Owners, and the Declarant during the Development Period, the Board of Directors shall not increase the annual budget in a manner which increases the annual Assessment per Lot (excluding Limited Common Expenses) by more than the maximum amount calculated as set forth below. The maximum annual Assessment per Lot for fiscal year 2005 shall be Fifty Dollars (\$50.00). The maximum annual Assessment per Lot for fiscal year 2006 shall be Sixty-Six Dollars (\$66.00). Commencing with fiscal year 2007, and continuing as of the commencement of each fiscal year thereafter, the foregoing maximum annual assessment amount shall increase automatically each year in an amount equal to the greater of:

- (i) five percent; or
- (ii) the proportionate amount by which any (A) real estate taxes; (B) utility charges; (C) casualty and other insurance premiums; and (D) costs and expenses of third party vendors and contractors payable by the Association have increased over amounts payable the previous fiscal year.

(b) Additional Assessments. If additional funds are required during any fiscal year, the Board of Directors may levy Additional Assessments on the Members subject to assessment pursuant to paragraph (1) of Subsection 6.2(a). The Board of Directors shall give notice of any Additional Assessment to the Members specifying the amount and reasons therefor, and such Assessment shall, unless otherwise specified in the notice, be payable in full with the next periodic installment which is due more than ten days after the date of such notice or in equal

periodic installments, as the Board may determine. Such Assessment shall be a lien as set forth in Section 10.2.

(c) Individual Assessments. The Board of Directors shall have the power to assess a Member or Owner individually: (i) for the amount of any charges imposed on that Member or Owner pursuant to Subsection 10.1(h); and (ii) for any costs incurred by the Association because of any violation or negligence for which that Member or Owner is responsible under Subsection 10.1(a). Each such Assessment shall be due ten days after notice thereof is given unless the notice specifies a later date.

(d) Reserves. The Board of Directors shall build up and maintain reasonable reserves for working capital, operations (including losses due to insurance deductibles), contingencies and replacements. Such funds shall be a Common Expense of the Association and shall be deposited and invested by the Board of Directors. Reserves for items serving only certain Members shall be accounted for and funded solely by the Members served. As to each separate reserve account:

(1) Extraordinary expenditures not originally included in the annual budget, which may become necessary during the year, shall be charged first against the appropriate reserves. Except for expenses for normal Upkeep shown in the annual operating budget, all expenses for repair and replacement of physical assets maintained by the Association shall be charged first against the appropriate reserves. Unless otherwise determined by the Board of Directors, the amount held as reserves shall not substantially exceed the amount reasonably required to assure the Association's ability to replace components as they reach the end of their useful lives.

(2) If regular annual Upkeep extends the useful life of components so that reserves are excessive, the reserves shall be adjusted by reallocation to other budget items or by distribution to each Member in proportion to the percentage (if any) of Assessments paid by such Member during the last complete fiscal year.

(3) If the reserves are inadequate to meet actual expenditures for any reason (including non-payment of any Member's Assessment) then the Board of Directors shall levy an Additional Assessment against the Members.

(e) Surplus and Deficit.

(1) Any amount accumulated in excess of the amount required for actual expenses and reserves shall, at the discretion of the Board of Directors: (i) be placed in reserve accounts; (ii) be placed in a special account to be expended solely for the general welfare of the Members; (iii) be credited to the next periodic installments due from Members under the current fiscal year's budget, until exhausted; or (iv) be distributed to each Member in proportion to the percentage (if any) of Assessments paid by such Member during the last complete fiscal year.

(2) Unless the surplus from the preceding years is applied against the deficit or the budget for the succeeding fiscal year is adjusted to amortize the deficit during such fiscal year, any net shortage in expenses (including reserves) shall be assessed promptly against the Members as an Additional Assessment in accordance with Subsection 6.2(b).

Section 6.3. Liability for Common Expenses. The Declarant and each Member covenants and agrees, to pay to the Association all Common Expenses, including Limited Common Expenses, and other charges assessed by the Board of Directors in accordance with the provisions of this Declaration. Each Member shall be liable for all Assessments against such Member. No Member may be exempted from liability for the assessment for Common Expenses by reason of waiver of the use or enjoyment of any of the Common Area. The Member shall remain subject to a lien for the amount owed to the Association in accordance with this section until such amount has been paid. Any such Member and any purchaser of a Lot subject to this Declaration may rely on a Statement of Common Expenses obtained pursuant to Section 6.5.

Section 6.4. Collection of Assessments. Any assessment, or installment thereof, not paid within fifteen days after the due date shall be delinquent and shall accrue a late charge in the amount of Fifteen Dollars (\$15.00) or ten percent of such assessment (whichever is greater), or such other amount as may be established from time to time by the Board of Directors, plus interest in accordance with Section 6.4. The Board of Directors, or the managing agent at the request of the Board, shall take prompt action to collect any Assessments for Common Expenses due from any Member which remain unpaid for more than thirty days after the due date for payment thereof. The late charge is in addition to the Association's other enforcement powers pursuant to Article 10.

Section 6.5. Statement of Common Expenses. The Board of Directors or managing agent shall provide any Member within twenty days after a written request therefor (or within such other time period as may be required by law), with a written statement of all unpaid Assessments for Common Expenses due with respect to a specific Member (or a statement that the amount of unpaid Assessments is zero) ("Statement of Common Expenses") as part of the "MHAA Information" substantially in the form attached as Exhibit A to the Bylaws or otherwise. No contract purchaser, Mortgagee or purchaser from a Mortgagee requesting such a statement shall be liable for, nor shall the Lots conveyed to such Person relying on such statement be subject to a lien for, any unpaid Assessments due prior to the date of such statement in excess of the amount set forth on such statement; provided, however, that this section shall not be interpreted to release any Member from liability. The Board of Directors may impose a reasonable charge for the preparation of such statement to cover the cost of preparation.

## ARTICLE 7 OPERATION OF THE PROPERTY

### Section 7.1. Upkeep by the Association.

(a) Common Area. The Association shall be responsible for the management and Upkeep of all of the Common Area, including Recreational Facilities, such Upkeep to



include without limitation: (1) all landscaping within the Common Area; (2) all lighting within the Common Area; (3) trash receptacles within the Common Area; (4) walkways, pathways and driveways within the Common Area; (5) project signage located on the Common Area or on any other portion of the Property with the consent of the Owner thereof; and (6) Upkeep and operation of all Recreational Facilities located on the Common Area. The Association shall not have any responsibility for the Upkeep of any Lot except to the extent provided for in the Association Documents or pursuant to a separate easement or other agreement. Notwithstanding the general provisions for Upkeep of Common Area set forth in this section, other specific Upkeep responsibilities and allocations of Upkeep costs shall be determined by any provisions therefor indicated in either a Supplementary Declaration or deed of subdivision, deed of easement, plat or other agreement recorded among the Land Records.

(b) Costs. Except as otherwise specifically provided in this Section 7.1, the cost of all management and Upkeep of the Common Area (including the cost of the management and Upkeep of the Recreational Facilities), shall be charged to the Members as a Common Expense or Limited Common Expense, as appropriate, depending on the nature of the service provided. If the Board of Directors determines that certain Upkeep (including Upkeep for the Recreational Facilities) was necessitated by the negligence, misuse or misconduct of a Member or Owner or for which a Member is responsible pursuant to Section 10.1, the cost of such Upkeep shall be assessed against such Member or Owner pursuant to Subsections 6.2(c) and 10.1(a).

(c) Standards for Upkeep. The Board of Directors shall establish the standard for Upkeep of the Common Area and Recreational Facilities in its sole discretion ; provided, however, that the standard for Upkeep, at a minimum, shall be sufficient to meet the requirements of applicable law and governmental regulations.

(d) Storm Water Management. The Upkeep of the storm water management facilities, including without limitation, all water quality and BMP structures or facilities, appurtenances, equipment and easements on the Common Area shall be performed by the Association and shall be a Common Expense. The Board of Directors may choose to perform the Upkeep of other storm water management facilities and easements on other areas of the Property and serving the Property and charge the expense for such Upkeep as a Common Expense or Limited Common Expense, as applicable. Additional storm water management facilities will be constructed for maintenance by the Association throughout development of the Property.

(e) Entrance Features, Signs and Rights-of-Way. To the extent not provided by others, the Association shall provide for the Upkeep of the following items securing the overall Wildewood community: (i) entrance features; (ii) sidewalks, trails and paths; (iii) project, street, traffic and directional signage and accessories, including poles; (iv) bus shelters (if any); (v) street lights and accessories, including poles; (vi) center islands; and (vii) landscaping and associated lighting and irrigation systems, if any (but excluding street pavement area within the public rights-of-way), located along Wildewood Parkway, White Oak Parkway, and Wildewood Boulevard to the extent such items are not maintained by a governmental authority or others and to the extent permitted by the appropriate governmental

authorities. The Declarant reserves the right to designate additional public rights-of-way for Upkeep by the Association during the Development Period.

(f) Landscaping. The Association shall be responsible for planting, replanting, maintaining, irrigating, protecting, enhancing and otherwise controlling (including all landscaping) the Common Area.

(g) Other Services. To the extent determined to be reasonably necessary or desirable by the Board of Directors, the Association may provide recycling programs, trash removal, water or cable television, transportation or similar services to the Members as a Common Expense or a Limited Common Expense, as appropriate.

(h) Shared Maintenance. The Board of Directors may enter into shared maintenance agreements to maintain areas whether or not located within the Property. Such areas may include without limitation storm water management or drainage easements and facilities, landscaping, entrance features, signage, trails, sidewalks and areas along streets and roadways (including within public rights-of-way to the extent not maintained by the appropriate governmental authorities, excluding street pavement areas). The amounts charged the Association pursuant to such agreements shall be a Common Expense, or a Limited Common Expense, as determined by the Board of Directors.

Section 7.2. Additions, Alterations or Improvements by the Board of Directors. Whenever in the judgment of the Board of Directors the Common Area shall require capital additions, alterations or improvements (other than for Upkeep) costing in excess of five percent in the aggregate of the total Annual Assessment for that fiscal year during any period of twelve consecutive months, the making of such additions, alterations or improvements requires a Majority Vote of the Members, and the Board of Directors shall pay the cost from existing funds or assess all Members benefited for the cost thereof as a Common Expense or Limited Common Expense, depending on the nature of the improvements. Any capital additions, alterations or improvements (other than for Upkeep) costing in the aggregate five percent or less of the total Annual Assessment for that fiscal year during any period of twelve consecutive months may be made by the Board of Directors without approval of the Members and the cost thereof shall constitute a Common Expense or a Limited Common Expense, depending on the nature of the improvements. Notwithstanding the foregoing, if the Board of Directors determines that such capital additions, alterations or improvements are exclusively or substantially exclusively for the benefit of specific Members, such Members shall be assessed therefor in such proportion as they jointly approve or, if they are unable to agree thereon, in such proportion as may be determined by the Board of Directors.

Section 7.3. Disclaimer of Liability.

(a) Bailee. The Board of Directors, the Association, any Member and the Declarant shall not be considered a bailee of any personal property stored or placed on the Common Area (including property located in vehicles parked on the Common Area), whether or not exclusive possession of the particular area is given to a Member for parking or otherwise, and shall not be responsible for the security of such personal property or for any loss or damage

thereto, whether or not due to negligence, except to the extent covered by insurance in excess of any applicable deductible.

(b) Operational. The Association shall not be liable for any failure of water supply or utility service or other services to be obtained by the Association or paid for as a Common Expense, or for personal injury or property damage caused by the elements or by any Member, Owner, or any other Person, or resulting from electricity, water, snow or ice which may leak or flow from or over any portion of the Property or from any pipe, drain, conduit, appliance or equipment, or any secondary or consequential damages of any type. No diminution, offset or abatement of any Assessments shall be claimed or allowed for inconvenience or discomfort arising from the making of repairs or improvements to the Property by the Association or from any action taken by the Association to comply with any law, ordinance or with the order or directive of any governmental authority. This section is not intended nor shall it be construed to relieve any insurer of its contractual obligations under any policy benefiting the Association or a Member.

## ARTICLE 8 INSURANCE

### Section 8.1. General Provisions.

(a) Authority, Liability and Notice. The Board of Directors shall have the power and responsibility on behalf of the Association to (1) purchase insurance policies relating to the Common Area, (2) adjust all claims arising under such policies and (3) sign and deliver releases upon payment of claims. The cost of all insurance policies purchased by the Board relating to the Common Area shall be a Common Expense or a Limited Common Expense, as appropriate. The Board of Directors, the managing agent and the Declarant shall not be liable for failure to obtain any coverages required by this Article or for any loss or damage resulting from such failure: (i) if such failure is due to the unavailability of such coverages from reputable insurance companies; (ii) if such coverages are so available only at demonstrably unreasonable cost; or (iii) if the Association's insurance professionals advise that the coverages required by paragraph (2) of Subsection 8.2(b) are unnecessary. Exclusive authority to negotiate losses under policies purchased by or on behalf of the Association shall be vested in the Board of Directors or with its authorized representative. The Board of Directors shall promptly notify the Members and Mortgagees of material adverse modifications, lapses or termination of, insurance coverages obtained on behalf of the Association.

### (b) Policy Requirements.

(1) All policies of insurance shall be written by reputable companies licensed or qualified to do business Maryland.

(2) The deductible or self-insured retention (if any) on any insurance policy purchased by the Board of Directors (except those purchased for the Recreational Facilities) shall be a Common Expense (or a Limited Common Expense, as appropriate);

provided, however, that the Association may, pursuant to Subsections 6.2(c) and 10.1(a), assess any deductible amount necessitated by the misuse or neglect of a Member.

(3) The Declarant shall be protected by all such policies.

(4) Each such policy shall provide that:

(A) The insurer waives any right to claim by way of subrogation against the Declarant, the Association, the Board of Directors, the managing agent and any Member;

(B) Such policy shall not be cancelled, invalidated or suspended due to the conduct of any Member or of any Officer or employee of the Board of Directors or the managing agent without a prior demand in writing that the Board or the managing agent cure the defect and neither shall have so cured such defect within thirty days after such demand;

(C) Such policy may not be cancelled or substantially modified (including cancellation for non-payment of premium) without at least thirty days prior written notice to the Board of Directors and the managing agent;

(D) The Association is the "First Named Insured" under such policy.

Section 8.2. Property Insurance.

(a) Coverage. The Board of Directors shall obtain and maintain a property insurance policy written on a Special Covered Causes of Loss Form, including without limitation fire damage, vandalism, malicious mischief, sprinkler leakage (if applicable), cost of demolition, debris removal, and water damage coverage, insuring any improvements located on the Common Area (including the Recreational Facilities). The Board of Directors shall also obtain and maintain appropriate coverage on all personal property and real estate owned by the Association other than the Common Area.

(b) Waivers and Endorsements. Each such policy shall also provide:

(1) a waiver of any right of the insurer to repair, rebuild or replace any damage or destruction, if a decision is made by the Board of Directors not to do so;

(2) the following endorsements (or equivalent): (A) "no control" (to the effect that coverage shall not be prejudiced by any act or neglect of any Member or occupant or their agents when such act or neglect is not within the control of the insured or the Members collectively, nor by any failure of the insured or the Members collectively, to comply with any warranty or condition with regard to any portion of the Property; (B) ordinance/law coverage for (i) the "cost of demolition" of the undamaged portion of the Property, (ii) "contingent liability from operation of building laws or codes;" and (iii) "increased cost of construction;" (C)

“replacement cost” or “guaranteed replacement cost;” (D) “inflation guard;” and (E) “agreed amount” or “elimination of co-insurance” clause;

(3) that any “no other insurance” clause expressly exclude individual Member’ policies from its operation so that the property damage policy purchased by the Board of Directors shall be deemed primary coverage and any individual Member’ policies shall be deemed excess coverage, and in no event shall the insurance coverage obtained and maintained by the Board of Directors hereunder provide for or be brought into contribution with insurance purchased by individual Members or Mortgagees, unless otherwise required by law;

(4) such deductibles and self-insured retentions as to loss as the Board of Directors in its sole discretion deems prudent and economical; and

Section 8.3. Liability Insurance. The Board of Directors shall obtain and maintain liability insurance in such limits as the Board may from time to time determine, insuring the Association, each director and officer, the managing agent, the Members and the employees of the Association against any liability to the public or to any Member arising out of, or incident to the ownership or care, custody, control and use of the Common Area or Recreational Facilities or any facilities located in the public right-of-way. The Board of Directors shall review such limits once each year, but in no event shall such insurance be less than one million dollars covering all claims for bodily injury, property damage, personal injury and advertising injury. This coverage, or a separate policy, shall also contain protection for the Association if it operates a website or conducts business using the website, email or similar means. Reasonable amounts of “umbrella” liability insurance in excess of the primary limits shall also be obtained in an amount not less than two million dollars.

Section 8.4. Other Insurance. The Board of Directors shall obtain and maintain:

(1) Fidelity. Adequate fidelity insurance coverage to protect against dishonest acts on the part of directors, Officers, trustees and employees of the Association and all others who handle or are responsible for handling funds of the Association, including the managing agent and volunteers. If the Association has delegated some or all of the responsibility for handling funds to a managing agent, such managing agent shall be covered by its own fidelity insurance. Such fidelity insurance (except for fidelity insurance obtained by the managing agent for its own personnel): (i) shall name the Association as the insured; (ii) shall be written in an amount not less than one-third the total annual assessment for Common Expenses; (iii) shall contain waivers of any defense based upon the exclusion of Persons who serve without compensation from any definition of “employee” or similar expression; and (iv) may provide that the managing agent is an additional insured under the policy;

(2) Flood Insurance. If required by a majority of the Mortgagees or governmental regulations, flood insurance in accordance with the then applicable regulations for such coverage;

(3) Workers' Compensation. Workers' compensation and employers liability insurance if and to the extent necessary to meet the requirements of law (including a voluntary employees endorsement and an "all states" endorsement);

(4) Boiler and Machinery/Mechanical Breakdown Insurance. If applicable, broad form boiler and machinery insurance, pressure, mechanical and electrical equipment including information technology and air conditioning equipment coverage on a comprehensive form in an amount not less than the greater of (A) fifty thousand dollars per accident per location or (B) the replacement cost of all such insured equipment;

(5) Directors and Officers Liability Insurance. Directors and officers liability insurance in an amount not less than one million dollars including coverage for the Association, directors, officers, committee members and employees. The policy may also provide that the managing agent is an insured under the policy except with respect to claims that the managing agent may file against the Association or that the Association may file against the managing agent. Such coverage, to the extent available, shall include non-monetary damages, breach of contract, fair housing disputes and allegations of wrongful purchase of the insurance program in form, content or amount; and

(6) Other. Such other insurance as the Board of Directors may determine.

Section 8.5. Indemnification and Insurance. Each Member shall indemnify, defend and hold the Association and its members, directors, officers, employees and agents, harmless from and against all suits, causes of action, losses, costs, damages, fines, expenses, contracts, attorneys' fees, prosecutions, judgments, liabilities and claims of any nature arising out of or caused by any acts, errors, omissions or negligence of the Member or such Member's respective employees, agents and contractors in connection with the construction and Upkeep of the real estate owned or maintained by the Member.

## ARTICLE 9 RECONSTRUCTION AND REPAIR

Section 9.1. When Reconstruction or Repair Required. Except as otherwise provided in Section 9.4, if all or any part of any improvement located on the Common Area (including the Recreational Facilities) is damaged or destroyed by fire or other casualty, the Board of Directors shall arrange for and supervise the prompt repair and restoration thereof. The Association shall not use the proceeds of casualty insurance received as a result of damage or destruction of improvements located on the Common Area for purposes other than the repair, replacement or reconstruction of such improvements except in accordance with Section 9.4.

Section 9.2. Procedure for Reconstruction and Repair of Common Area.

(a) Cost Estimates. Immediately after a fire or other casualty causing damage to any portion of any improvement located on the Common Area, the Board of Directors shall

obtain reliable and detailed estimates of the cost of restoring and repairing such improvement (including without limitation any floor coverings, fixtures and appliances) to a condition as good as that existing before such casualty. Such costs may also include professional fees and premiums for such bonds as the Board of Directors determines to be necessary.

(b) Plans and Specifications. Any such reconstruction or repair shall be substantially in accordance with the original construction of any improvement located on the Common Area, subject to any modifications required by changes in applicable governmental regulations, and using contemporary building materials and technology to the extent feasible.

Section 9.3. Disbursement of Construction Funds for Common Area.

(a) Construction Fund and Disbursement. The proceeds of insurance collected on account of a casualty and the sums received by the Board of Directors from the collection of Assessments against any Members shall constitute a construction fund which shall be disbursed in payment of the costs of reconstruction and repair in the following manner.

(1) If the estimated cost of reconstruction and repair is less than five percent of the total annual Assessment for Common Expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon order of the Board of Directors.

(2) If the estimated cost of reconstruction and repair is five percent or more of the total annual Assessment for Common Expenses for that fiscal year, then the construction fund shall be disbursed in payment of such costs upon approval of an architect qualified to practice in the jurisdiction where the Property is located and employed by the Board of Directors to supervise such work, payment to be made from time to time as the work progresses. The architect shall be required to furnish a certificate giving a brief description of the services and materials furnished by various contractors, subcontractors, materialmen, the architect and other Persons who have rendered services or furnished materials in connection with the work stating that: (i) the sums requested by them in payment are justly due and owing and that such sums do not exceed the value of the services and materials furnished; (ii) there is no other outstanding indebtedness known to such architect for the services and materials described; and (iii) the cost as estimated by such architect for the work remaining to be done subsequent to the date of such certificate does not exceed the amount of the construction fund remaining after payment of the sum so requested. The Board of Directors shall be entitled to rely on such certificate.

(b) Shortfalls. If the proceeds of insurance are not sufficient to defray such estimated costs of reconstruction and repair, or if upon completion of reconstruction and repair the funds for the payment of the costs thereof are insufficient, the amount necessary to complete such reconstruction and repair may be obtained from the appropriate reserve for replacement funds or shall be deemed a Common Expense or Limited Common Expense, as appropriate, and an assessment therefor shall be levied subject to Section 6.2.

(c) Surplus. The first monies disbursed in payment of the cost of reconstruction and repair shall be from insurance proceeds. If, after payment of the costs of all reconstruction and repair, and the refund of any excess payments made by Members in proportion to their contributions or the refund of excess payments by any Member, there remains any surplus fund, such fund shall be paid to the Association and shall be placed in the appropriate reserve account.

Section 9.4. When Reconstruction and Repair of Common Area Not Required. If destruction of improvements located on the Common Area is insubstantial, the Board of Directors may elect not to repair such insubstantial damage. If damaged improvements are not repaired, then the Board of Directors shall remove all remnants of the damaged improvements and restore the site thereof to an acceptable condition compatible with the remainder of the Common Area and the balance of any insurance proceeds received on account of such damage shall be placed in the appropriate reserve account.

#### ARTICLE 10 COMPLIANCE AND DEFAULT

Section 10.1. Compliance and Enforcement. Each Member and Owner shall be governed by, and shall comply with, all of the terms of the Association Documents and the Rules and Regulations as they may be amended from time to time.

(a) Additional Liability. Each Member and Owner shall be liable to the Association or to any affected Member for the expense of all Upkeep rendered necessary by such Member's or Owner's act or omission regardless of negligence or culpability but only to the extent that such expense is not covered by the proceeds of insurance carried by the Board of Directors. Nothing contained herein, however, shall be construed as modifying any waiver by any insurance company of its rights of subrogation. Any costs, including without limitation legal fees, incurred as a result of a failure to comply with the Association Documents or the Rules and Regulations by any Member or Owner, or for which any Member is deemed responsible hereunder, may be assessed against such Member or Owner.

(b) Costs and Attorney's Fees. In any proceedings arising out of any alleged default by a Member or Owner or any suit brought by a Member or Owner against the Association or any director or Officer, the prevailing party shall be entitled to recover the costs of such proceeding and reasonable attorneys' fees, even if the proceeding is settled prior to judgment.

(c) No Waiver of Rights. The failure of the Association, the Board of Directors, or a Member to enforce any right, provision, covenant or condition which may be granted by the Association Documents or the Rules and Regulations shall not constitute a waiver of the right of the Association, the Board or Member to enforce such right, provision, covenant or condition in the future. All rights, remedies and privileges granted to the Association, the Board of Directors or Member pursuant to any term, provision, covenant or condition of the Association Documents shall be deemed to be cumulative and the exercise of any one or more



thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the Person exercising the same from exercising such other privileges as may be granted to such Person by the Association Documents, the Act or at law or in equity.

(d) Interest. If a default by any Member or Owner in paying any sum assessed against such Member or Owner continues for a period in excess of thirty days, interest at the higher of (i) twelve percent per annum compounded quarterly, or (ii) the rate not to exceed that interest rate then charged by the Internal Revenue Service (or a successor agency) on delinquent taxes may be imposed in the discretion of the Board of Directors on the principal amount unpaid from the date due until paid; provided, however, that if the Board of Directors does not impose interest, the Board shall set forth its reasons for not charging such interest in a written record of its decision. The imposition of interest shall not preclude collection of a late charge nor shall a late charge levied pursuant to Section 6.4 be considered interest subject to the limitations of this subsection.

(e) Abating and Enjoining Violations. The violation of any of the Rules and Regulations adopted by the Board of Directors or the breach of any provision of the Association Documents shall give the Board of Directors the right, in addition to any other rights set forth in the Association Documents or the Rules and Regulations: (1) to enter the portion of the Property on which, or as to which, such violation or breach exists and summarily to abate and remove, at the expense of the defaulting Member or Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions of the Association Documents or the Rules and Regulations, and the Board of Directors shall not thereby be deemed guilty in any manner of trespass; (2) to use self-help to remove or cure any violation of the Association Documents or the Rules and Regulations on the Property (including without limitation the towing of vehicles); or (3) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such breach; provided, however, that (1) reasonable notice must be provided before entering any improvement and (2) before any construction may be altered or demolished (except in emergencies) judicial proceedings shall be instituted.

(f) Legal Proceedings. Failure to comply with any of the terms of the Association Documents or the Rules and Regulations shall be grounds for relief, including without limitation an action to recover any sums due for money damages, injunctive relief, foreclosure of the lien for payment of all Assessments, any other relief provided for in the Association Documents and any other relief afforded by a court of competent jurisdiction, all of which relief may be sought by the Association, the Board of Directors, the managing agent or, if appropriate, by any aggrieved Member and shall not constitute an election of remedies.

(g) Suspension of Rights; Other Remedies.

(1) The Board of Directors shall have the power to suspend a Member's voting rights pursuant to Subsection 3.2(d) of the Bylaws.

(2) The Board of Directors shall also have the power to suspend the right of a Member or Owner to use the Recreational Facilities and other Common Area for a reasonable period not to exceed sixty days for any violation of any provision of any of the

Association Documents or the Rules and Regulations or for any period during which any assessment against a Member remains unpaid; provided, however, that the Association shall not suspend the right to use the Common Area for necessary, ordinary and reasonable pedestrian ingress and egress, or to suspend any easement over the Common Area for utilities (storm water drainage, electricity, water, sanitary sewer, natural gas) or telecommunications or similar utilities and services to the affected Lots.

(3) If a service (including utility services) is paid for as a Common Expense or a Limited Common Expense and a Member does not pay the Assessment for such Common Expense or Limited Common Expense for a period of more than sixty days, then such service may be discontinued to such Member until payment of the Assessment for such service is made; provided, however, that such suspension shall not endanger the health, safety or property of any Owner or occupant.

(h) Charges. The Board of Directors shall have the power to impose charges (pursuant to Subsection 3.2(d) of the Bylaws) in the case of a Member or Owner found by the Board to be responsible for a violation of the Association Documents or the Rules and Regulations. No such penalty shall be imposed until the Person charged with such a violation has been given notice and an opportunity for a hearing as set forth in paragraph (i) below. Charges may not exceed Five Hundred Dollars for each violation or Fifty Dollars per day for each violation of a continuing nature. No charge may be imposed for failure to pay an assessment except as otherwise provided in this Declaration. Charges are Individual Assessments and shall be collectible as such and, if against a Member, shall also constitute a lien against the stream of assessment income payable by Lot Owners governed by such Member or against the Lot if the charges are against the Owner in accordance with Section 10.2 to the extent permissible under the law of the jurisdiction in which the Property is located. Imposition of a charge does not preclude the liability of a Member or Owner for reimbursement to the Association of costs incurred by the Association.

(i) Due Process. The Board of Directors may deliberate privately, but shall either announce its decision in the presence of the respondent or give the respondent notice thereof. A decision adverse to the respondent shall require a majority vote of the entire membership of the Board. The Board, before imposing any charge or before taking any action affecting one or more specific Members or Owners, shall afford such Members or Owners the following basic due process rights.

(1) Notice. The respondent shall be afforded prior written notice of any action (except when an emergency requires immediate action) and, if notice is of default or violation, an opportunity to cure which is reasonable under the circumstances, prior to the imposition of any sanction. The notice shall also state that the respondent is entitled to a hearing, if a hearing is required pursuant to Subsection 10.1(i). Notice of a hearing shall include a summary of the charges or other sanctions that may be imposed as a result of the alleged violation. Notice of any violation or any hearing shall be sent by registered or certified United States mail, return receipt requested (or in any other manner permitted by law), to the Member or Owner at the applicable Member's address of record with the Association at least fourteen days prior to such hearing.

(2) Hearing. If the respondent is entitled to a hearing and requests in writing a hearing before any charge is imposed or action taken, then the imposition of the charge or the taking of the action shall be suspended until the respondent has an opportunity to be heard at a hearing at which the Board of Directors discusses such charge or action. Each Person so appearing shall have the right to be represented by such Person's counsel, at such Person's own expense. The hearing result shall be hand-delivered or sent by registered or certified mail, return receipt requested (or in any other manner permitted by law), to the Member or Owner at the applicable Member's address of record with the Association within three days after the hearing.

(3) Fairness. The Board of Directors shall treat all Persons equitably, based upon decision-making procedures, standards and guidelines which shall be applied to all Persons consistently.

Section 10.2. Lien for Assessments.

(a) Lien. The total Annual Assessment of each Member for Common Expenses, including Limited Common Expenses, any Additional Assessment, any Individual Assessment or any other sum duly levied (including without limitation charges, interest, late charges, contractual charges, etc.), made pursuant to the Association Documents, is hereby declared to be a lien levied against the assessment income payable to any Member by any Owner of a Lot, all such assessment income being hereby expressly pledged to the Association in trust to secure payment of all sums due the Association from such Member. Individual Assessments charged to an Owner shall be a continuing lien against the Lot owned by such Owner. With respect to Annual Assessments, the lien is effective on the first day of each fiscal year of the Association and, as to Additional Assessments, Individual Assessments and other sums duly levied, on the first day of the next payment period which begins more than ten days after the date of notice to the Member of such Additional Assessment, Individual Assessment or levy. The Board of Directors or the managing agent may file or record such other or further notice of any such lien, or such other or further document, as may be required to confirm the establishment and priority of such lien. The lien created by this section shall be prior to all liens and encumbrances hereafter recorded except Mortgages, real estate taxes and other charges levied by governmental authority and made superior by law. The individual obligation of the Member to pay such Assessment shall, in addition, remain such Member's obligation and a suit to recover a money judgment for non-payment of any Assessment or installment thereof, levied pursuant hereto, may be maintained without foreclosing or waiving the lien herein created to secure the same.

(b) Acceleration. If an Assessment against a Member is payable in installments, upon a default by such Member in the timely payment of any two consecutive installments, the maturity of the remaining total of the unpaid installments of such Assessment may be accelerated, at the option of the Board of Directors, and the entire balance of the Assessment may be declared due and payable in full by the service of notice to such effect upon the defaulting Member. If a Member is delinquent in payment of Assessments for a prior fiscal year, then the entire Assessment (otherwise payable in installments) shall be due and payable in full when assessed, upon receipt of notice of such Assessment by the defaulting Member.

(c) Enforcement. The lien for Assessments may be perfected, enforced and foreclosed in any manner permitted by the laws of the jurisdiction in which the Property is located, including the Maryland Contract Lien Act.

(d) Remedies Cumulative. A suit to recover a money judgment for unpaid Assessments may be maintained without foreclosing or waiving the lien securing the same, and a foreclosure may be maintained notwithstanding the pendency of any suit to recover a money judgment.

Section 10.3. Subordination and Mortgagee Protection. Notwithstanding any other provision hereof to the contrary, the lien of any Assessment levied pursuant to the Association Documents upon any Lot (and any charges, interest on Assessments, late charges or the like) shall be subordinate to, and shall in no way affect the rights of the holder of a Mortgage made in good faith for value received; provided, however, that such subordination shall apply only to Assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to foreclosure or any proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the holder of a Mortgage or the purchaser of the Lot at such sale from liability for any Assessments thereafter becoming due, nor from the lien of any such subsequent Assessment, which lien shall have the same effect and be enforced in the same manner as provided herein. Notwithstanding any other provision of this Declaration, to the extent specifically permitted by Maryland statute in the future, the Association's lien shall prime a Mortgage to the extent of six-months worth of Assessments which would have become due (based on the budget adopted by the Association) in the absence of acceleration during the six months immediately preceding perfection of the lien.

## ARTICLE 11 MORTGAGEES

Section 11.1. Notice to Board of Directors. No holder of a Mortgage shall be entitled to any Mortgagee rights under the Association Documents unless such holder of a Mortgage has notified the Board of its address as required by Section 11.2 and has requested all rights under the Association Documents.

Section 11.2. Notices to Mortgagees. Any holder of a Mortgage who desires notice from the Association shall notify the Secretary of the Association to that effect by certified or registered United States mail, postage prepaid. Any such notice shall contain the name and address, including post office address of such Mortgagee and the name of the person to whom or office to which notices from the Association should be directed. The Mortgagee shall be responsible for keeping such information current. The Board of Directors shall notify Mortgagees of the following:

(1) Any default by an Owner of a Lot upon which the Mortgagee has a Mortgage which remains uncured for sixty consecutive days simultaneously with the notice sent to the defaulting Member or Owner (failure to notify the Mortgagee shall not affect the validity of the Association's lien);

(2) Any event giving rise to a claim under the Association's property insurance policy arising from damage to improvements located on the Common Area;

(3) Any termination, lapse or material adverse modification in an insurance policy held by the Association at least ten days in advance;

(4) Any taking in condemnation or by eminent domain of the Common Area and the actions of the Association in connection therewith;

(5) Any proposal to terminate this Declaration or dissolve the Association, at least sixty days before any action is taken to terminate or dissolve; and

(6) Any proposal to amend materially the Articles of Incorporation, this Declaration or the Bylaws at least ten days before any action is taken.

Section 11.3. Other Rights of Mortgagees. Upon request, all Mortgagees or their authorized representatives shall have the right to receive notice of and to attend meetings of the Association. All Mortgagees shall have the right to examine the Association Documents, Rules and Regulations and books and records of the Association and to require the submission of existing annual financial reports and other budgetary information on the same terms as the Owners.

## ARTICLE 12 CONDEMNATION

Section 12.1. Definition. For the purposes of this Article, "Taking" means an acquisition of all or any part of the Common Area or of any interest therein or right accruing thereto as a result of in lieu of or in anticipation of the exercise of the right of condemnation or eminent domain, or a change of grade caused by the action of a governmental entity affecting the value of the Common Area or any part thereof so severely as to amount to condemnation.

Section 12.2. Taking of Common Area. If there is a Taking of all or any part of the Common Area, then the Association shall notify the Members, but the Board of Directors shall act on behalf of the Association in connection therewith and no Members shall have any right to participate in the proceedings incident thereto. The award made for such Taking shall be payable to the Association, to be disbursed as follows. If the Taking involves a portion of the Common Area on which improvements have been constructed, then the Association shall restore or replace such improvements so taken on another portion of the Common Area, to the extent space is available therefor, in accordance with plans approved by the Board of Directors, unless within sixty days after such Taking the Declarant (during the Declarant Control Period) or the Members by a Sixty-seven Percent Vote (after the Declarant Control Period) shall otherwise agree.

ARTICLE 13  
AMENDMENT; TERMINATION

Section 13.1. Amendment by the Association. Subject to the provisions of Sections 13.2, 13.3 and 13.4 below, this Declaration may be amended only with (i) a Majority Vote of the Members; or (ii) with the written consent of Members to which more than fifty percent of the total number of votes in the Association appertain. The consent of the Declarant is also required during the Development Period.

Section 13.2. Amendment by the Declarant. In addition to and subject to Sections 13.3 and 13.4 below, the Declarant shall have the unilateral right to amend this Declaration to add Additional Land or withdraw Property from the terms and conditions of this Declaration in accordance with Article 4 or otherwise as provided in this Declaration.

Section 13.3. Amendment Pursuant to Governmental Agency. Notwithstanding, and in addition to, any other provisions of this Declaration, the Declarant shall have the right, to be exercised in its sole and absolute discretion without the consent of any Member or other Person, at any time and from time to time during the Development Period, if so required by the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Veterans Administration, the Federal Housing Administration or any other governmental or quasi-governmental agency or any lender or title insurance company, to amend, modify or add to the provisions of this Declaration as necessary.

Section 13.4 Corrective Amendments. The Declarant may unilaterally sign and record a corrective amendment or supplement to this Declaration to correct a mathematical mistake, an inconsistency or a scrivener's error, or clarify an ambiguity in this Declaration with respect to an objectively verifiable fact (including without limitation recalculating the liability for Assessments or the number of votes in the association appertaining to a Member). Regardless of the date of recordation of this Declaration, the president of the Association may also unilaterally sign and record such a corrective amendment or supplement upon a vote of two-thirds of the members of the Board of Directors.

Section 13.5. Termination. The covenants and restrictions of this Declaration shall run with the land and bind the Property and be in full force and effect in perpetuity. The Association may terminate this Declaration only by: (i) a vote of eighty percent of the Members present in person or by proxy at a duly held meeting of the Association at which a quorum is present; or (ii) with the written approval of Members entitled to cast at least eighty percent of the total number of votes. The termination shall not be effective until certified by the President as to compliance with the procedures set forth in this section, signed and acknowledged by the President and Secretary of the Association and recorded among the Land Records. Any termination shall also require the written consent of the Declarant during the Development Period.

IN WITNESS WHEREOF, the undersigned have caused this Declaration to be signed pursuant to due and proper authority as of the date first set forth above.

**DECLARANT:**

WILDEWOOD RESIDENTIAL, LLC, a Maryland limited liability company

By: *John Bauer* [SEAL]  
Name: John Bauer  
Title: Vice President

State OF Maryland )  
CITY/COUNTY OF St. Mary's ) SS:

I hereby certify, that on January 20, 2005, before me, the subscriber, a Notary Public, personally appeared John Bauer, as Vice President of Wildewood Residential, LLC, and acknowledged the foregoing Declaration to be the act of Wildewood Residential, LLC.

In testimony whereof I have affixed my official seal on the date first above written.

*John M. Lukasevicz* [SEAL]  
Notary Public

My commission expires: 3-1-05



ASSOCIATION:

WILDEWOOD COMMUNITY ASSOCIATION, INC., a Maryland nonstock corporation

By: [Signature] [SEAL]

Name: MICHAEL A. WETENGEL

Title: President

State OF Maryland )  
CITY/COUNTY OF St. Mary's ) SS:

I hereby certify, that on January 20, 2005, before me, the subscriber, a Notary Public, personally appeared MICHAEL A. WETENGEL President of Wildewood Community Association, Inc., and acknowledged the foregoing Declaration to be the act of Wildewood Community Association, Inc.

In testimony whereof I have affixed my official seal on the date first above written.

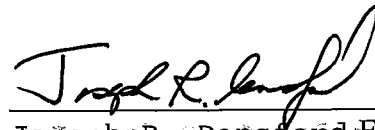
[Signature] [SEAL]  
Notary Public

My commission expires: 3-1-05





The undersigned, a member in good standing of the Bar of the Court of Appeals of Maryland, hereby certifies that the within instrument was prepared by him or under his supervision.



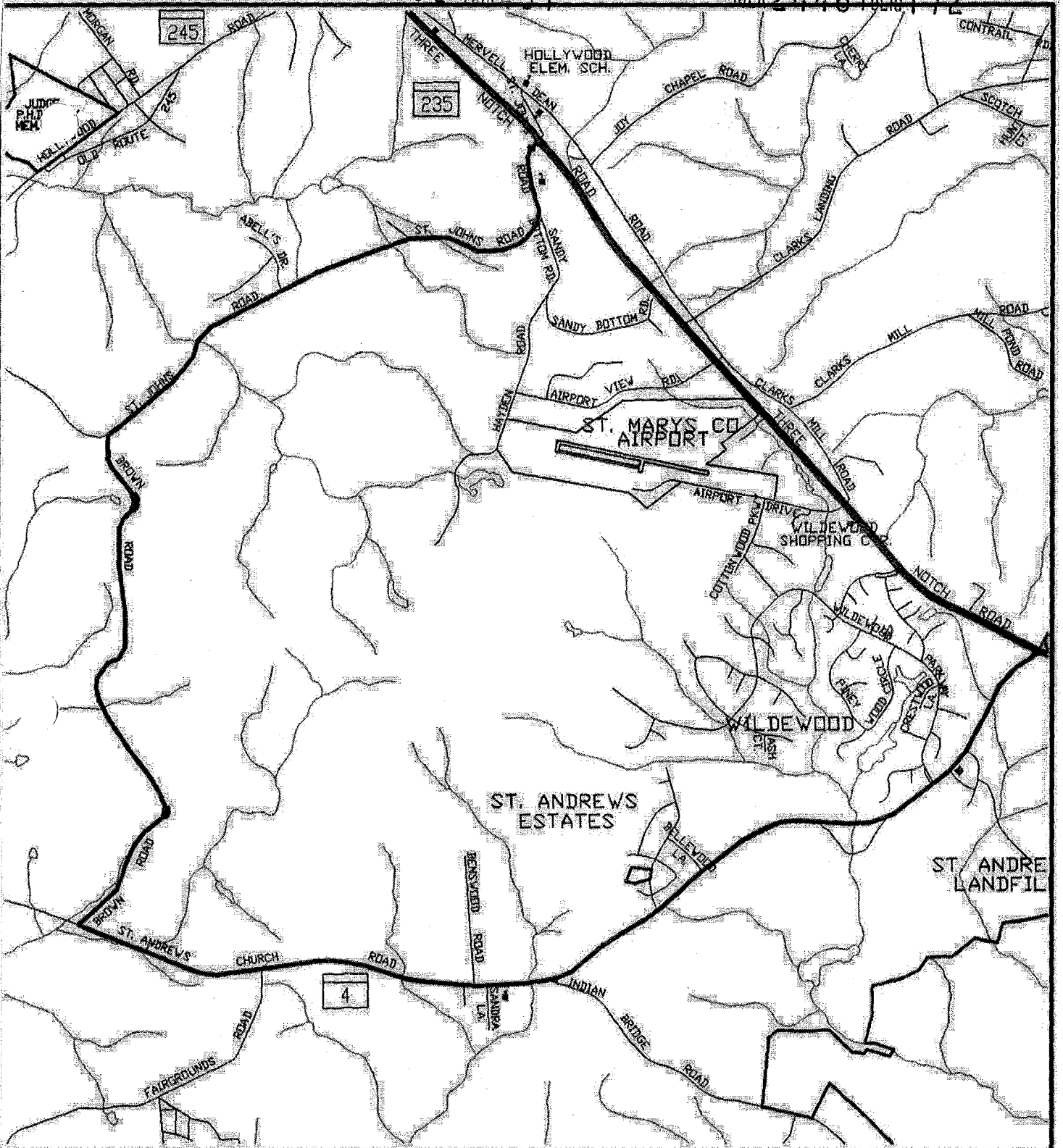
Joseph R. Densford, Esquire

## EXHIBIT A

**[Description of Submitted Land]**

Parcel A consisting of approximately 14.8 acres as shown on that certain plat prepared by Day Tech Engineering, LLC, entitled "The Lake Apartments at Wildewood Phases I and II Plat One Development Envelope of Wildewood Planned Development" dated June 11, 2003, and recorded among the land records of St. Mary's County, Maryland in Liber 56 and Folio 105.

TOGETHER WITH: All land previously submitted to the terms of the Initial Declaration and defined in the Initial Declaration as the "Properties" as reflected on Exhibit A to the Initial Declaration.



**EXHIBIT "B"**  
**AMENDED AND RESTATED**  
**DECLARATION OF COVENANTS,**  
**CONDITIONS AND RESTRICTIONS OF**  
**WILDEWOOD**  
**St. Mary's County, Maryland**

DATE	BY	REVISIONS

**DAYTECH**  
**ENGINEERING, LLC**  
 ENGINEERS • PLANNERS • SURVEYORS  
 4425 Paces Court - Suite 103  
 Odessa, MD 20676  
 Phone: (301) 863-6333 FAX: (301) 863-7400

Scale: 1" = 3000'    Drawn: ARS    File #: EXHIBIT    Survey #: 204-995    Date: 10/25/04

EXHIBIT C

SUPPLEMENTARY DECLARATION  
FOR  
WILDEWOOD

Tax Map No. \_\_\_\_\_

( \_\_\_\_\_ )  
*Neighborhood Association Name*

THIS SUPPLEMENTARY DECLARATION FOR WILDEWOOD is made as of \_\_\_\_\_, 20\_\_ by WILDEWOOD COMMUNITY ASSOCIATION, INC., a Maryland nonstock corporation ("Association") and \_\_\_\_\_ ("Neighborhood Association").

RECITALS:

A. The Declaration of Covenants, Conditions and Restrictions of Wildewood Community Association, Inc. ("Initial Declaration") dated August 12, 2003 was recorded on August 15, 2003 in Liber 2082 at Folio 338 of the land records of St. Mary's County, Maryland ("Land Records") by Paragon Builders, Incorporated, a Maryland corporation ("Paragon"), which set forth certain covenants, conditions and restrictions to apply to the overall Wildewood Community.

B. Paragon conveyed a majority of its interest in Wildewood to Wildewood Residential LLC ("Declarant") by Deed dated January 22, 2004 and recorded in the Land Records on January 22, 2004 in Liber 2202 at Folio 538, and in connection therewith, assigned to Declarant all of its declarant rights under the Initial Declaration.

C. The Initial Declaration was amended and restated in its entirety pursuant to the Amended and Restated Declaration for Wildewood dated \_\_\_\_\_, 2005 (the "Declaration") and recorded the Declaration among the Land Records in Liber \_\_\_\_\_ at Folio \_\_\_\_\_.

D. The Association was incorporated under the laws of the State of Maryland on pursuant to Articles of Incorporation filed as of May 18, 1998, as amended pursuant to Amended and Restated Articles of Incorporation for Wildewood Community Association, Inc. as of \_\_\_\_\_, 2005 to provide a means for meeting the purposes and intents set forth in the Declaration.

E. Section 1.3(f) of the Declaration provides that any Neighborhood Association existing as of the date of the Declaration may elect to join the Association as a Class A Member by executing and recording this Supplementary Declaration .

F. The Neighborhood Association is a validly existing Neighborhood Association within the Wildewood community as of \_\_\_\_\_ consisting of \_\_\_\_\_ lots or dwelling units.   
*(date of formation)* *(number)*

G. The Neighborhood Association has complied with the provisions of Section 1.3(f) of the Declaration and wishes to join the Association as a Class A Member by executing this

Supplementary Declaration and submitting the real estate described in Exhibit A hereto to the Declaration and this Supplementary Declaration.

NOW, THEREFORE, the Neighborhood Association, with the consent and joinder of the Association, hereby covenants and declares on behalf of themselves and their respective successors and assigns that all of the real estate described in Exhibit A hereto, together with such additions as may hereafter be made, shall from the date this Supplementary Declaration is recorded, be held, conveyed, acquired and encumbered subject to the covenants, charges, restrictions, easements, liens and other provisions of the Declaration as the same may be amended from time to time in accordance with the provisions for amendment contained therein, and subject to the provisions set forth herein.

1. As of the date that this Supplementary Declaration is recorded among the Land Records, the Neighborhood Association shall be a Class A Member for all purposes under the Association Documents, shall be subject to the jurisdiction of the Association, and shall have all rights, privileges and obligations of a Class A Member pursuant to the terms of the Association Documents.

2. In furtherance of the lien rights set forth in Section 10.2(a) of the Declaration, the Neighborhood Association hereby agrees to sign such additional documents or instruments that the Association may reasonably require to secure or perfect the security interests contemplated and intended to be granted by Section 10.2(a), including without limitation, initial financing statements, amendments thereto and continuation statements.

This Supplementary Declaration may be signed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Supplementary Declaration to be executed pursuant to due and proper authority as of the date first set forth above.

NEIGHBORHOOD ASSOCIATION:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF MARYLAND )  
CITY/COUNTY OF \_\_\_\_\_ ) SS:

I hereby certify, that on \_\_\_\_\_, 20\_\_, before me, the subscriber, a Notary Public, personally appeared \_\_\_\_\_, as \_\_\_\_\_ of \_\_\_\_\_ (Neighborhood Association), and acknowledged the foregoing Supplementary Declaration to be the act of \_\_\_\_\_ (Neighborhood Association).

In testimony whereof I have affixed my official seal on the date first above written.

\_\_\_\_\_[SEAL]  
Notary Public

My commission expires: \_\_\_\_\_

STATE OF MARYLAND )  
CITY/COUNTY OF \_\_\_\_\_ ) SS:

I hereby certify, that on \_\_\_\_\_, 20\_\_, before me, the subscriber, a Notary Public, personally appeared \_\_\_\_\_ as \_\_\_\_\_ of Wildewood Community Association, Inc., and acknowledged the foregoing Supplementary Declaration to be the act of Wildewood Community Association, Inc.

In testimony whereof I have affixed my official seal on the date first above written.

\_\_\_\_\_[SEAL]  
Notary Public

My commission expires: \_\_\_\_\_

EXHIBIT A

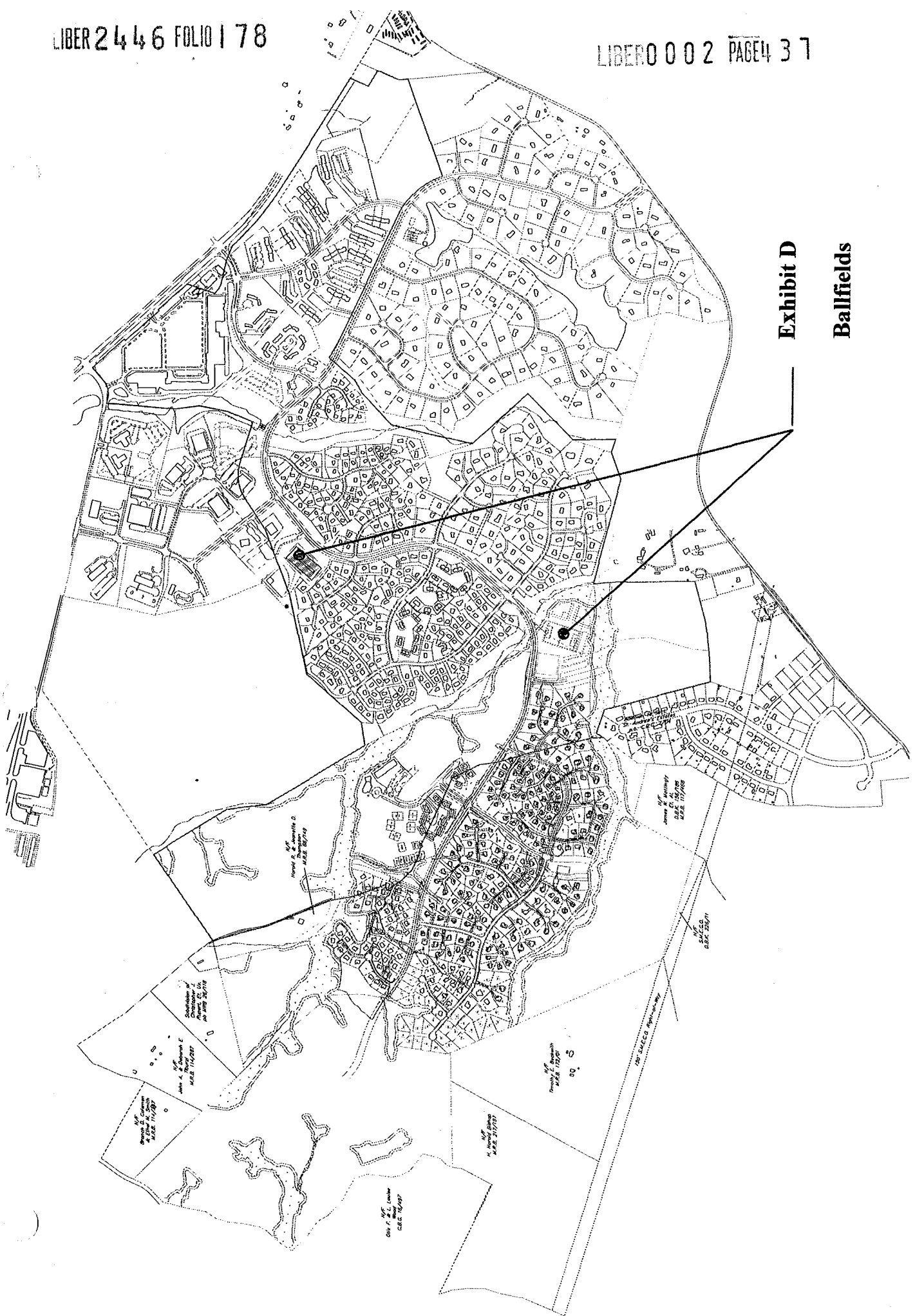
**[Description of the Submitted Land]**

Parcels \_\_\_\_\_, \_\_\_\_\_, as the same appear duly dedicated, platted and subdivided by instrument recorded among the land records of St. Mary's County, Maryland in Liber \_\_\_\_\_ at Folio \_\_\_\_\_.

EXHIBIT D

**[Two Ballfields to be Conveyed by August 15, 2006]**





**Exhibit D**

**Ballfields**

M.C. Co. Survey  
 1887  
 11.200

M.C. Co. Survey  
 1887  
 11.200

M.C. Co. Survey  
 1887  
 11.200

M.C. Co. Survey  
 1887  
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M.C. Co. Survey  
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M.C. Co. Survey  
 1887  
 11.200

M.C. Co. Survey  
 1887  
 11.200

M.C. Co. Survey  
 1887  
 11.200

EXHIBIT E

**[Automatic Neighborhood Association Members]**

Locust Ridge Condominium of Wildewood pursuant to Section 4 of the Locust Ridge Condominium Declaration

Misty Pond of Wildewood pursuant to Article IV, Section 4 of the Misty Pond Declaration

Pepper Ridge of Wildewood pursuant to Article IV, Section 4 of the Pepper Ridge Declaration

Rosewood Condominium of Wildewood pursuant to Section 5 of the Rosewood Condominium Declaration

Sycamore Hollow of Wildewood Association, Inc. pursuant to Article IV, Section 4 of the Sycamore Hollow Declaration

Willow Creek of Wildewood pursuant to Article IV, Section 4 of the Willow Creek Declaration